

REPORT

OF THE

GOVERNOR AND COMMITTEE

OF THE

HUDSON'S BAY COMPANY,

TO BE

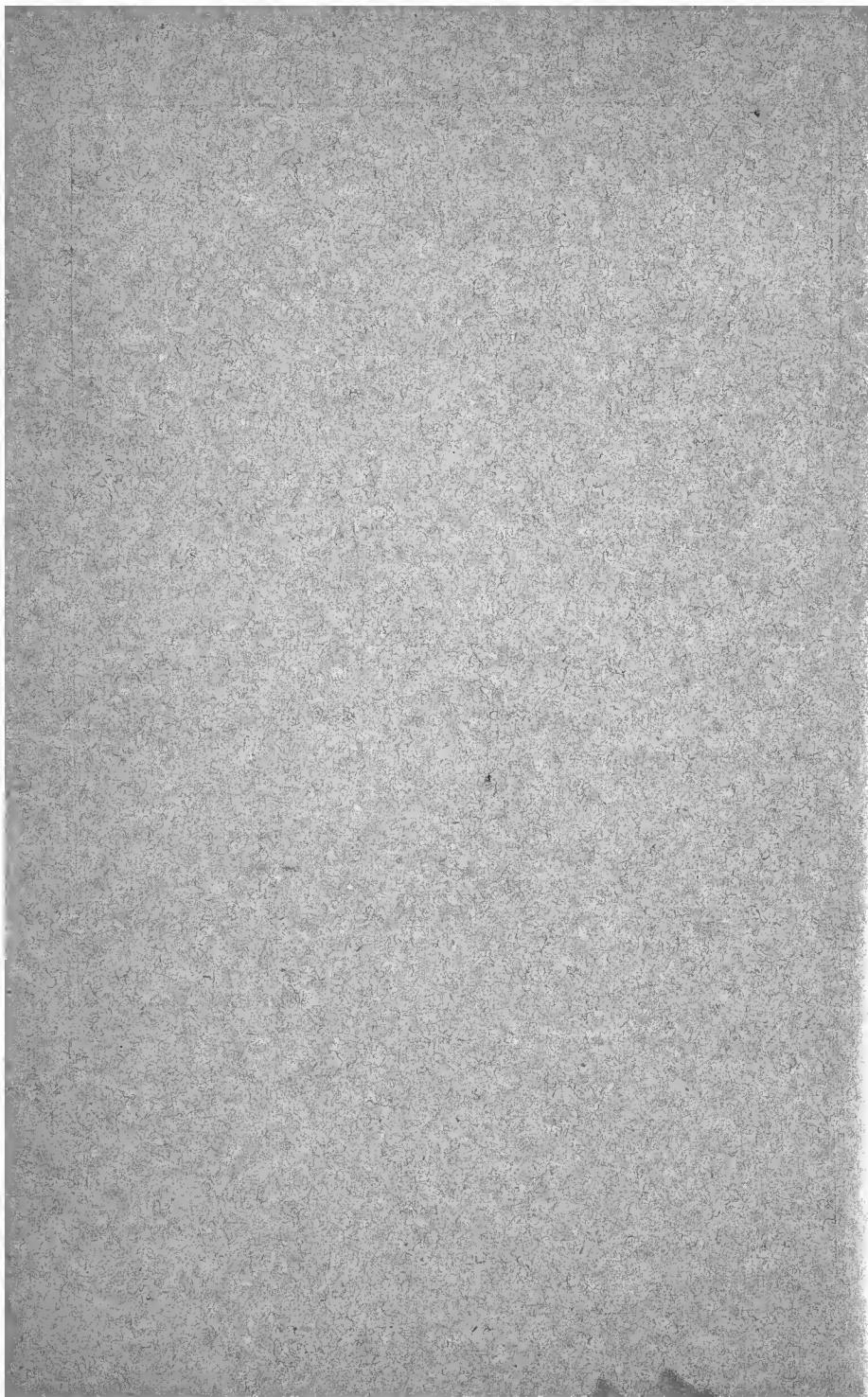
LAID BEFORE THE SHAREHOLDERS

ON THURSDAY, JULY 14TH, 1892.

LONDON:

PRINTERS: SIR JOSEPH CAUSTON AND SONS,
9, EASTCHEAP, E.C., AND SOUTHWARK STREET, S.E.

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DIRECTORS.

Governor.

SIR DONALD A. SMITH, K.C.M.G.

Deputy-Governor.

THE EARL OF LICHFIELD.

Committee.

Sir THOMAS R. EDRIDGE.

SANDFORD FLEMING, Esquire, C.M.G.

RUSSELL STEPHENSON, Esquire.

WALTER VAUGHAN MORGAN, Esquire.

THOMAS RANNIE GRANT, Esquire.

THOMAS SKINNER, Esquire.

JOHN COLES, Esquire.

HUDSON'S BAY COMPANY.

A GENERAL COURT of the Governor and Company of Adventurers of England trading into Hudson's Bay will be held at the City Terminus Hotel, Cannon Street, on Thursday, the 14th July next, at Twelve o'clock, when a Report from the Governor and Committee will be laid before the Shareholders, and a Dividend declared.

In accordance with the provisions of the Company's Charters, the following Members of the Board retire by rotation, namely: The EARL OF LICHFIELD, Deputy-Governor, Mr. Alderman WALTER VAUGHAN MORGAN and Sir THOMAS R. EDRIDGE; and the Deputy-Governor and Mr. MORGAN will be proposed for re-election.

Mr. THOMAS A. WELTON will also be proposed for re-election to the office of Auditor to the Company.

The Transfer Books of the Company will be closed on the 28th instant, and reopened on the 16th proximo.

By order of the Board,

W. ARMIT,

Secretary.

HUDSON'S BAY HOUSE,

LONDON, *June 27, 1892.*

R E P O R T.

THE Governor and Committee have now to submit to the Proprietors the Annual Accounts, which show a profit of £26,402 13s. 7d., to which must be added £23,860 13s. 7d. brought forward last year, making a total of £50,263 7s. 2d. Out of this sum they recommend a dividend of 6s. 6d. per share, which will absorb £32,500, leaving the sum of £17,763 7s. 2d. to be carried forward.

It is to be regretted that in consequence of the dull state of trade both at home and abroad the Fur Sales held in January and March brought lower average prices than those of last year. A heavy fall in the price of Beaver and Musquash, and in some of the finer descriptions of Furs usually bought for the Russian market, more than counterbalanced an advance in the prices of Marten and Mink, and seriously affected the results of the Fur Trade business.

During the past year it has been decided to close several of the Company's Posts, which were not showing good results, and where the outlook seemed unsatisfactory. On the other hand new Sale Shops have been opened at Fort William, the principal Canadian port of shipment from the North-West on Lake Superior; at Lethbridge, where the Alberta Coal Mines are situated; and at Nelson, in British Columbia, the centre of the important Kootenay Mining district.

Acting under the instructions of the Board the new Commissioner, Mr. CHIPMAN, is effecting very considerable reductions in the expenses of management, rendered possible now that improved means of communication bring many of the Company's Posts more under the control of the central authority at Winnipeg. It is estimated that by changes already decided upon a reduction of £10,000 in annual working expenses will be accomplished.

The Board have given their careful attention to the question of dividing the Accounts of the Fur Trade from those of the Sale Shops, and they have been able to make arrangements for separating these two branches of the Company's business.

With regard to future prospects, the accounts from many of the Company's Trading Posts report fur-bearing animals as being more plentiful than for some years past, and there is a material increase in the volume of business at the Sale Shops.

THE LAND ACCOUNT.

The Land Account now submitted shows the cash receipts and disbursements for the year ending 31st March, 1892. The receipts amount to £37,034 2s. 9d., as compared with £35,217 13s. for the year ending 31st March, 1891; while the controllable charges set out in the present Account are lower than those of the previous year.

The Sales during the past year have been as follows :—

Farm Lands—17,599 acres for ..	\$104,501
(Averaging \$5.94 per acre.)	
Town Lots—119 lots for ..	55,025

————— \$159,526

as compared with those of the year
ending 31st March, 1891, viz.—

Farm Lands—17,142 acres for ..	\$100,677
(Averaging \$5.87 per acre.)	
Town Lots—130 lots for ..	104,620

————— \$205,297

The reduction in the amount of the Town Lot Sales this year is accounted for by the larger number of Winnipeg lots sold during the preceding twelve months.

The Land Sales for April and May, since the Accounts were closed, amount to \$42,300, as compared with \$37,900 for the same period last year.

With reference to the Supplemental Charter granted to the

Company in March last the Board desire to state that the arrangements for issuing Preferred and Deferred Shares in exchange for Ordinary Shares are now completed, but it must be borne in mind that the Stock Exchange Committee may defer a quotation for the New Shares until a large number of the Ordinary Shares shall have been converted.

Under the powers of the Supplemental Charter already referred to, the following Members of the Board retire on the present occasion:

The EARL OF LICHFIELD, *Deputy-Governor* ;
Mr. Alderman WALTER VAUGHAN MORGAN, and
Sir THOMAS RICHARD EDRIDGE.

The first two Members named will be proposed for re-election, but the Governor and Committee regret that in consequence of failing health Sir THOMAS EDRIDGE's long connection with them will terminate on this occasion. The Board recommend that the vacancy be left unfilled, as provided for in the new Charter.

The Board also recommend that the Auditor be elected annually by the Shareholders, and Mr. THOMAS A. WELTON now offers himself for re-election.

On behalf of the Board,

DONALD A. SMITH,
Governor.

(1.) GENERAL ACCOUNT.

Exhibiting the results of trade of Outfit 1890; namely, from 1st June, 1890,

C. W.
to 31st May, 1891.

To Inventories 1st June, 1890, viz.—	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	
General Goods	324,528	6	11				By Proceeds of Furs ..			225,905	15	10	
Advances from Outfit 1889	41,837	0	11				,, , Other Imports ..			11,548	3	6	
Ships & Steamers in Canada	38,628	18	8				<u>Less Freight, Dock Charges, Insurance and Cartage</u>			<u>237,453</u>	19	4	
Trading Stations (Buildings, &c.)	50,016	4	5							9,054	9	0	
Cash at Trading Stations ..	27,170	7	7								228,399	10	4
Balances due by—							" Furs on hand as per Valuation ..			"			
Customers £71,603 10 5							,, Bills remitted to London ..			"	1,724	8	8
Clerks and Servants	6,124	18	6				,, Sundry Debits to Officers and Servants :—				3,630	19	2
							For Cash and Goods supplied them transferred and charged their private accounts in London						
							For Cash received in London transferred and paid them in Canada			368	4	7	
											13,678	1	4
							" Inventories 31st May, 1891, viz.—						
							General Goods ..			324,199	18	5	
							Advances to Outfit 1891 ..			47,159	7	6	
							Ships & Steamers in Canada			32,503	17	5	
							Trading Stations (Buildings, &c.) ..			45,636	4	9	
							Cash at Trading Stations ..			19,659	3	7	
							Balances due by—						
							Customers £74,667 0 4						
							Clerks and Servants						
							3,541	8	2				
										78,208	8	6	

For Cash and Bills paid in London and charged them in Canada ..	1,941 12 3	5,332 10 0	22,667 11 2	524,699 9 0
,, Other debits incidental to carrying on the trade of Outfit 1890 ..	5,070 1 3	1,993 0 9		
,, Less Sundry Credits	3,077 0 6			
EXPENSES INURRED IN LONDON, 1st June, 1890, to 31st May, 1891, viz.:—				
Governor and Committee 2,400 0 0				
Warehouse Expenses—preparing and selling Furs, including Wages of Labourers and Sundry Charges ..	2,969 8 0			
Share of Salaries of Secretary and Staff ..	3,315 16 8			
Ditto Rent and Taxes of Offices in Leadenhall Street, and Warehouse in Lime St. 4,541 13 11				
Less Rent received 1,379 5 0		3,162 8 11		
Share of Office expenses, including Stationery, Printing, Telegrams, Postages, and Law Charges ..	1,014 19 10		12,862 13 5	
,, Share of Commissioner's Salary ..	.. .. ..		1,000 0 0	
,, Pensions in London and Canada ..	.. .. ..		750 0 0	
,, Balance on Outfit 1890, carried to Account No. 3 ..	.. .. ..		20,268 12 11	
				£772,032 8 6

HUDDSON'S BAY COMPANY.

(2.) LAND ACCOUNT.

Dr. Exhibiting the Cash Receipts and Disbursements, from 1st April, 1891, to 31st March, 1892. Cr.

		£ s. d.	£ s. d.
To	Municipal and other Taxes ..	.. .. ..	10,914 2 7
"	Repairs and Improvements ..	199 7 6	
"	Annual charge for depreciation of Buildings ..	2,410 13 5	
"	Salaries ..	<u>2,610 0 11</u>	
"	Surveyors inspecting and reporting on Lands ..	1,217 12 1	
"	Travelling and Office Expenses ..	787 19 1	
"	Legal Expenses ..	.. ..
"	Auction Expenses ..	.. ..
"	Share of London Expenses and Advertising ..	201 4 6	
"	No. 3 ..	350 0 0	
		<u>3,599 4 4</u>	
	Balance transferred to Profit and Loss Account ..	.. .. ..	19,910 14 11
		<u>£37,034 2 9</u>	<u>£37,034 2 9</u>
	By Cash received for Sales of Land :—		
	Winnipeg Town Lots ..	.. .. ..	4,640 3 0
	Victoria ..	.. .. ..	3,361 8 10
	Rat Portage ..	.. .. ..	1,242 6 11
	Edmonton ..	.. .. ..	659 8 11
	Fort William ..	.. .. ..	2,025 12 11
	Other Town Lots ..	.. .. ..	100 17 2
	Farming Lands ..	.. .. ..	16,455 10 4
	,, Interest on unpaid Instalments and Rents ..	.. .. ..	28,505 8 1
		<u>..</u>	<u>8,528 14 8</u>

(3.) PROFIT AND LOSS.

1st June, 1891, to 31st May, 1892.

Dr.

Cr.

	£ s. d.	£ s. d.
To Commissioned Officers and Appropriation under Guarantee for Outfit 1890	18,880 0 0	By Balance from Account No. 1
," Loss on realisation of outstanding Accounts, Outfit 1891	1,517 15 8	" Balance of Interest on Fur Trade Account
," Interest on Officers' and Servants' Deposits	2,250 9 2	" Profit from Underwriting Account
," Income Tax	1,276 4 5	" Balance transferred from Land Account
," Payment to Bishop of Rupert's Land, under agreement with the Company, and order of the Court of Chancery; dated December, 1849	300 0 0	No. 2
," Auditor's Fee	150 0 0	" Dividends, Interest and Transfer Fees
," Legal expenses in connection with Supplementary Charter	563 3 6	
," Sundry payments not chargeable to General Account : —		
Share of London Salaries	990 0 0	
Ditto London Rent and Taxes	440 0 0	
Ditto Commissioners' Salaries	632 15 7	
Printing, Stationery, Advertising, Postages and Law Charges	380 4 7	2,463 0 2
," Balance carried to General Profit and Loss Account (No. 4), being Net Profits	<u>26,402 13 7</u>	<u>£53,803 6 6</u>

HUDSON'S BAY COMPANY.

(4.) GENERAL PROFIT AND LOSS ACCOUNT.

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31st May, 1892.

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(5.) BALANCE-SHEET.
31st May, 1892.

	£ s. d.						
To Capital—							
100,000 Shares of £20 each 2,000,000 0 0							
Less return to Proprietors of £7 per Share .. 700,000 0 0							
, Amount due to Commissioned Officers and Servants on their Deposits in London.. 73,698 1 5							
, Amount due, as per Inventory 31st May, 1891, to—							
Customers .. 9,759 11 1							
Clerks & Servants 12,908 0 1							
, Unpaid Dividends, and other Balances (exclusive of amount due in respect of Goods in course of shipment on 31st May, 1892, not included in assets <i>per contra</i>) .. 2,460 19 9							
" Marine Insurance Fund .. 50,000 0 0							
" Fur Trade Fire Insurance Fund .. 19,523 3 6							
" Undivided Profits, as per Account No. 4 .. 50,263 7 2							
By Cash in hand and on Deposit in London							
, Sundry Investments in London 60,843 8 9							
, Buildings in Winnipeg and North West Territory 42,922 7 11							
, Amount due by Commissioned Officers							
, Amount invested in the Fur Trade (exclusive of Goods in course of Shipment), viz. Valuation of Trading Goods, Provisions, Stores, &c., as per Inventory 31st May, 1891 449,499 8 1							
Cash at Trading Stations, 31st May, 1891 19,659 3 7							
Amount due as per Inventory 31st May 1891, by—							
Customers £14,667 0 4							
Clerks and Servants 3,541 8 2							
" 78,208 8 6							
Advances in London for carrying on the Trade, subsequent to 31st May, 1891 336,589 8 2							
Ocean Ships and Steamers employed in the Trade 10,367 15 3							
" Balance represented by the remaining Property of the Company 400,214 7 5							
£1,618,613 3 0							
£1,518,613 3 0							

I have examined the Books, Accounts, and Vouchers of the Company in London, and the various authenticated Statements and Certificates received from Canada, and I hereby certify that the Balance Sheet and Profit and Loss Accounts are in accordance therewith.

5, Moorgate Street, LONDON, E.C.
22nd June, 1892.

THOMAS A. WELTON,
(Welton, Jones & Co.)

